

A RESOLUTION AUTHORIZING THE ISSUANCE OF INTEREST BEARING GENERAL OBLIGATION CAPITAL OUTLAY NOTES OF RUTHERFORD COUNTY, TENNESSEE, IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED NINE MILLION THREE HUNDRED THOUSAND DOLLARS (\$9,300,000); MAKING PROVISION FOR THE ISSUANCE, SALE AND PAYMENT OF SAID NOTES, ESTABLISHING THE TERMS THEREOF AND THE DISPOSITION OF PROCEEDS THEREFROM; AND PROVIDING FOR THE LEVY OF TAX FOR THE PAYMENT OF PRINCIPAL THEREOF AND INTEREST THEREON.

WHEREAS, pursuant to Section 9-21-601, et seq., Tennessee Code Annotated, as amended, subject to the approval of the State Director of Local Finance, counties in Tennessee are authorized to issue interest bearing capital outlay notes for a period of not to exceed the end of the third fiscal year following the fiscal year in which the Notes are issued for all county purposes for which general obligation bonds can be legally authorized and issued; and

WHEREAS, pursuant to authority granted by Sections 9-21-601 et seq., Tennessee Code Annotated, as amended, Rutherford County, Tennessee (the "County") issued its General Obligation Capital Outlay Note, Series 2011, dated January 7, 2011, maturing January 3, 2014 (the "Outstanding Note"); and

WHEREAS, under the provisions of Section 9-21-604, Tennessee Code Annotated, as amended, subject to the approval of the State Director of Local Finance, counties in Tennessee are authorized to extend or renew such capital outlay notes for two (2) additional periods of three (3) years each; and

WHEREAS, the County has previously received approval from the State Director to renew the Outstanding Note and the requirement of periodic retirement was waived; and

WHEREAS, the Board of County Commissioners of the County hereby determines that it is necessary and desirable to issue not to exceed \$9,300,000 in aggregate principal amount of capital outlay notes to provide funds for the purpose of refinancing the Outstanding Note, or a portion thereof, by extending and renewing all or a portion of the Outstanding Note; and

WHEREAS, it is the intention of the Board of County Commissioners of the County to adopt this resolution for the purpose of authorizing such notes, establishing the terms thereof, providing for the issuance, sale and payment of the notes and disposition of proceeds therefrom, and providing for the levy of a tax for the payment of principal thereof and interest thereon.

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners of Rutherford County, Tennessee, as follows:

Section 1. Authority. The notes authorized by this resolution are issued pursuant to Section 9-21-101, Tennessee Code Annotated, and other applicable provisions of law.

Section 2. Definitions. The following terms shall have the following meanings in this resolution unless the text expressly or by necessary implication requires otherwise:

(a) "Book-Entry Form" or "Book-Entry System" means a form or system, as applicable, under which physical note certificates in fully registered form are issued to a Depository, or to its nominee as Registered Owner, with the certificate of notes being held by and "immobilized" in the custody of such

Depository, and under which records maintained by persons, other than the County or the Registration Agent, constitute the written record that identifies, and records the transfer of, the beneficial "book-entry" interests in those notes;

(b) "Code" means the Internal Revenue Code of 1986, as amended, and all regulations promulgated or proposed thereunder;

(c) "County" means Rutherford County, Tennessee;

(d) "Debt Management Policy" means the Debt Management Policy adopted by the Governing Body as required by the State Comptroller;

(e) "Depository" means any securities depository that is a clearing agency under federal laws operating and maintaining, with its participants or otherwise, a Book-Entry System, including, but not limited to, DTC;

(f) "DTC" means the Depository Trust Company, a limited purpose company organized under the laws of the State of New York, and its successors and assigns;

(g) "DTC Participant(s)" means securities brokers and dealers, banks, trust companies and clearing corporations that have access to the DTC System;

(h) "Financial Advisor" means Stephens Inc.;

(i) "Governing Body" means the Board of County Commissioners of the County;

(j) "Notes" means the not to exceed \$9,300,000 General Obligation Capital Outlay Notes, of the County, to be dated their date of issuance, and having such series designation or such other designation or such other dated date as shall be determined by the County Mayor, authorized to be issued by this resolution;

(k) "Note Purchase Agreement", to the extent the Notes, or any series thereof, are sold at negotiated sale, means a Note Purchase Agreement, dated as of the sale of the Notes, entered into by and between the County and one or more purchasers, in the form consistent with the terms of this resolution and as approved by the County Mayor;

(l) "Outstanding Note" shall mean the County's outstanding General Obligation Capital Outlay Note, Series 2011, dated January 7, 2011, maturing January 3, 2014, or any portion thereof, as shall be determined by the County Mayor, in consultation with the County's Financial Advisor;

(m) "Purchaser" means the purchaser of the Notes either pursuant to the Note Purchase Agreement or at competitive sale; and

(n) "Registration Agent" shall mean the registration and paying agent of the Notes appointed by the County Mayor or any successor registration agent and paying agent appointed by the Governing Body, and if the Purchaser of the Notes does not intend to reoffer the Notes, then the Registration Agent may include the County Trustee.

Section 3. Findings of the Governing Body. It is hereby found and determined by the Governing Body as follows:

(a) The extension and renewal of the Outstanding Note as set forth herein through the issuance of the Notes will be in the best interests of the County.

(b) The County has adopted the Debt Management Policy and the Governing Body finds that the issuance and sale of the Notes, as proposed herein, is consistent with the Debt Management Policy.

(c) The estimated proposed amortization of the Notes, estimated interest and estimated costs of issuance and sale of the Notes are attached hereto and presented to this meeting as Exhibit A. The foregoing estimates are subject to change pursuant to Section 8 hereof.

Section 4. Authorization and Terms of the Notes. (a) For the purpose of refinancing the Outstanding Note through its extension and renewal, there are hereby authorized to be issued interest bearing capital outlay notes of the County, in book-entry form, (except as otherwise provided herein) in an aggregate principal amount of not to exceed \$9,300,000. Subject to the adjustments permitted in Section 8 hereof, the Notes shall be issued in one or more series, in fully registered form, without coupons, shall be known as "General Obligation Capital Outlay Notes" and shall be dated their date of issuance, having such other designation or such other dated date as shall be determined by the County Mayor; and shall bear interest per annum at a rate or rates not to exceed the maximum interest rate permitted by applicable Tennessee law, payable, semi-annually on June 1 and December 1 until the Notes mature or are redeemed, commencing June 1, 2014. The Notes shall be issued initially in \$5,000 denominations or integral multiples thereof, as shall be requested by the original purchaser thereof. Subject to the adjustments permitted by Section 8 hereof, the Notes shall mature serially, be subject to mandatory redemption, or shall mature in their entirety, as shall be determined by the County Mayor, and be payable on June 1, having a final maturity of June 1, 2016 (but in no event shall the Notes mature later than the end of the third fiscal year following the fiscal year the Notes, or any series thereof, are issued).

(b) Subject to the adjustments permitted by Section 8 hereof, the Notes are subject to redemption prior to maturity, at the option of the County on March 1, 2014 or on any date thereafter, in whole or in part, at the redemption price of par plus accrued interest to the redemption date. If less than all the Notes shall be called for redemption, the maturities to be redeemed shall be designated by the Governing Body, in its discretion, and, if less than all of the Notes of a maturity shall be called for redemption, the Notes within the maturity to be redeemed shall be selected as follows:

(i) if the Notes are being held under a Book-Entry System by DTC, or a successor Depository, the Notes to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

(ii) if the Notes are not being held under a Book-Entry System by DTC, or a successor Depository, the Notes within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

(c) Pursuant to Section 8 hereof, the County Mayor is authorized to sell the Notes, or any maturities thereof, as term notes ("Term Notes") with mandatory redemption requirements corresponding to the maturities set forth herein or as determined by the County Mayor. In the event any or all the Notes are sold as term notes, the County shall redeem term notes on redemption dates corresponding to the maturity dates set forth herein, in aggregate principal amounts equal to the maturity amounts established pursuant to Section 8 hereof for each redemption date, as such maturity amounts may be adjusted pursuant to Section 8 hereof, at a price of par plus accrued interest thereon to the date of redemption. The Term Notes to be redeemed within a single maturity shall be selected in the manner described in subsection (b) above.

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such mandatory redemption date, the County may (i) deliver to the Registration Agent for cancellation Notes to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Notes of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Note so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the County on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Notes to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced. The County shall on or before the forty-fifth (45th) day next preceding each payment date furnish the Registration Agent with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this subsection are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.

(d) Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent on behalf of the County not less than fifteen (15) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Notes to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Note registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for redemption of any of the Notes for which proper notice was given. The notice may state that it is conditional upon the deposit of moneys in an amount equal to the amount necessary to effect the redemption with the Registration Agent no later than the redemption date ("Conditional Redemption"). As long as DTC, or a successor Depository, is the registered owner of the Notes, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Notes, as and when above provided, and neither the County nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant or Beneficial Owner will not affect the validity of such redemption. The Registration Agent shall mail said notices as and when directed by the County pursuant to written instructions from an authorized representative of the County (other than for a mandatory sinking fund redemption, notices of which shall be given on the dates provided herein) given at least forty-five (45) days prior to the redemption date (unless a shorter notice period shall be satisfactory to the Registration Agent). From and after the redemption date, all Notes called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth herein. In the case of a Conditional Redemption, the failure of the County to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository and the affected Noteholder(s) that the redemption did not occur and that the Notes called for redemption and not so paid remain outstanding. If at the time of the giving of any notice of optional or mandatory redemption there shall not be on deposit with the Registration Agent moneys sufficient to redeem all the Notes called for redemption, the notice of redemption shall state that the redemption of such Notes is conditional upon and subject to deposit of moneys with the Registration Agent sufficient to redeem all such Notes not later than the opening of business on the redemption date, and that such notice shall be of no effect if such moneys are not on deposit.

(e) The County hereby authorizes and directs the County Mayor to appoint the Registration Agent and hereby authorizes and directs the Registration Agent so appointed to maintain Note registration records with respect to the Notes, to authenticate and deliver the Notes as provided herein, either at original issuance or upon transfer, to effect transfers of the Notes, to give all notices of redemption as required herein,

to make all payments of principal and interest with respect to the Notes as provided herein, to cancel and destroy Notes which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer, to furnish the County at least annually a certificate of destruction with respect to Notes canceled and destroyed, and to furnish the County at least annually an audit confirmation of Notes paid, Notes outstanding and payments made with respect to interest on the Notes. The County Mayor is hereby authorized to execute and the County Clerk is hereby authorized to attest such written agreement between the County and the Registration Agent as they shall deem necessary and proper with respect to the obligations, duties and rights of the Registration Agent. The payment of all reasonable fees and expenses of the Registration Agent for the discharge of its duties and obligations hereunder or under any such agreement is hereby authorized and directed.

(f) The Notes shall be payable, both principal and interest, in lawful money of the United States of America at the main office of the Registration Agent. The Registration Agent shall make all interest payments with respect to the Notes by check or draft on each interest payment date directly to the registered owners as shown on the Note registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by depositing said payment in the United States mail, postage prepaid, addressed to such owners at their addresses shown on said Note registration records, without, except for final payment, the presentation or surrender of such registered Notes, and all such payments shall discharge the obligations of the County in respect of such Notes to the extent of the payments so made. Payment of principal of and premium, if any, on the Notes shall be made upon presentation and surrender of such Notes to the Registration Agent as the same shall become due and payable. All rates of interest specified herein shall be computed on the basis of a three hundred sixty (360) day year composed of twelve (12) months of thirty (30) days each. In the event the Notes are no longer registered in the name of DTC, or a successor Depository, if requested by the Owner of at least \$1,000,000 in aggregate principal amount of the Notes, payment of interest on such Notes shall be paid by wire transfer to a bank within the continental United States or deposited to a designated account if such account is maintained with the Registration Agent and written notice of any such election and designated account is given to the Registration Agent prior to the record date.

(g) Any interest on any Note that is payable but is not punctually paid or duly provided for on any interest payment date (hereinafter "Defaulted Interest") shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such Defaulted Interest shall be paid by the County to the persons in whose names the Notes are registered at the close of business on a date (the "Special Record Date") for the payment of such Defaulted Interest, which shall be fixed in the following manner: the County shall notify the Registration Agent in writing of the amount of Defaulted Interest proposed to be paid on each Note and the date of the proposed payment, and at the same time the County shall deposit with the Registration Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Registration Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this Section provided. Thereupon, not less than ten (10) days after the receipt by the Registration Agent of the notice of the proposed payment, the Registration Agent shall fix a Special Record Date for the payment of such Defaulted Interest which Date shall be not more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment to the registered owners. The Registration Agent shall promptly notify the County of such Special Record Date and, in the name and at the expense of the County, not less than ten (10) days prior to such Special Record Date, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each registered owner at the address thereof as it appears in the Note registration records maintained by the Registration Agent as of the date of such notice. Nothing contained in this Section or in the Notes shall impair any statutory or other rights in law or in equity of any registered

owner arising as a result of the failure of the County to punctually pay or duly provide for the payment of principal of, premium, if any, and interest on the Notes when due.

(h) The Notes are transferable only by presentation to the Registration Agent by the registered owner, or his legal representative duly authorized in writing, of the registered Note(s) to be transferred with the form of assignment on the reverse side thereof completed in full and signed with the name of the registered owner as it appears upon the face of the Note(s) accompanied by appropriate documentation necessary to prove the legal capacity of any legal representative of the registered owner. Upon receipt of the Note(s) in such form and with such documentation, if any, the Registration Agent shall issue a new Note or Notes to the assignee(s) in \$5,000 denominations, or integral multiples thereof, as requested by the registered owner requesting transfer. The Registration Agent shall not be required to transfer or exchange any Note during the period commencing on a Regular or Special Record Date and ending on the corresponding interest payment date of such Note, nor to transfer or exchange any Note after the notice calling such Note for redemption has been made, nor to transfer or exchange any Note during the period following the receipt of instructions from the County to call such Note for redemption; provided, the Registration Agent, at its option, may make transfers after any of said dates. No charge shall be made to any registered owner for the privilege of transferring any Note, provided that any transfer tax relating to such transaction shall be paid by the registered owner requesting transfer. The person in whose name any Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the County nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Notes shall be overdue. The Notes, upon surrender to the Registration Agent, may, at the option of the registered owner, be exchanged for an equal aggregate principal amount of the Notes of the same maturity in any authorized denomination or denominations.

(i) The Notes shall be executed in such manner as may be prescribed by applicable law, in the name, and on behalf, of the County with the manual or facsimile signature of the County Mayor and with the official seal, or a facsimile thereof, of the County impressed or imprinted thereon and attested by the manual or facsimile signature of the County Clerk.

(j) Except as otherwise provided in this resolution, the Notes shall be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Notes. References in this Section to a Note or the Notes shall be construed to mean the Note or the Notes that are held under the Book-Entry System. One Note for each maturity shall be issued to DTC and immobilized in its custody. A Book-Entry System shall be employed, evidencing ownership of the Notes in authorized denominations, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants pursuant to rules and procedures established by DTC.

Each DTC Participant shall be credited in the records of DTC with the amount of such DTC Participant's interest in the Notes. Beneficial ownership interests in the Notes may be purchased by or through DTC Participants. The holders of these beneficial ownership interests are hereinafter referred to as the "Beneficial Owners." The Beneficial Owners shall not receive the Notes representing their beneficial ownership interests. The ownership interests of each Beneficial Owner shall be recorded through the records of the DTC Participant from which such Beneficial Owner purchased its Notes. Transfers of ownership interests in the Notes shall be accomplished by book entries made by DTC and, in turn, by DTC Participants acting on behalf of Beneficial Owners. **SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE REGISTERED OWNER OF THE NOTES, THE REGISTRATION AGENT SHALL TREAT CEDE & CO., AS THE ONLY HOLDER OF THE NOTES FOR ALL PURPOSES UNDER THIS RESOLUTION, INCLUDING RECEIPT OF ALL PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE NOTES, RECEIPT OF NOTICES, VOTING AND REQUESTING OR DIRECTING THE REGISTRATION**

AGENT TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THIS RESOLUTION.

Payments of principal, interest, and redemption premium, if any, with respect to the Notes, so long as DTC is the only owner of the Notes, shall be paid by the Registration Agent directly to DTC or its nominee, Cede & Co. as provided in the Letter of Representation relating to the Notes from the County and the Registration Agent to DTC (the "Letter of Representation"). DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners. The County and the Registration Agent shall not be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants.

In the event that (1) DTC determines not to continue to act as securities depository for the Notes or (2) the County determines that the continuation of the Book-Entry System of evidence and transfer of ownership of the Notes would adversely affect their interests or the interests of the Beneficial Owners of the Notes, the County shall discontinue the Book-Entry System with DTC. If the County fails to identify another qualified securities depository to replace DTC, the County shall cause the Registration Agent to authenticate and deliver replacement Notes in the form of fully registered Notes to each Beneficial Owner.

If the Notes are purchased by a Purchaser that certifies that such Purchaser intends to hold the Notes for its own account and has no present intention to reoffer the Notes, then the Notes are not required to be registered through Book-Entry System.

THE COUNTY AND THE REGISTRATION AGENT SHALL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY DTC PARTICIPANT OR ANY BENEFICIAL OWNER WITH RESPECT TO (i) THE NOTES; (ii) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (iii) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND INTEREST ON THE NOTES; (iv) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY NOTICE DUE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED UNDER THE TERMS OF THIS RESOLUTION TO BE GIVEN TO BENEFICIAL OWNERS, (v) THE SELECTION OF BENEFICIAL OWNERS TO RECEIVE PAYMENTS IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE NOTES; OR (vi) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC, OR ITS NOMINEE, CEDE & CO., AS OWNER.

(k) The Registration Agent is hereby authorized to take such action as may be necessary from time to time to qualify and maintain the Notes for deposit with DTC, including but not limited to, wire transfers of interest and principal payments with respect to the Notes, utilization of electronic book entry data received from DTC in place of actual delivery of Notes and provision of notices with respect to Notes registered by DTC (or any of its designees identified to the Registration Agent) by overnight delivery, courier service, telegram, telecopy or other similar means of communication. No such arrangements with DTC may adversely affect the interest of any of the owners of the Notes, provided, however, that the Registration Agent shall not be liable with respect to any such arrangements it may make pursuant to this section.

(l) The Registration Agent is hereby authorized to authenticate and deliver the Notes to the original purchaser, upon receipt by the County of the proceeds of the sale thereof and to authenticate and deliver Notes in exchange for Notes of the same principal amount delivered for transfer upon receipt of the Note(s) to be transferred in proper form with proper documentation as hereinabove described. The Notes shall not be valid for any purpose unless authenticated by the Registration Agent by the manual signature of an officer thereof on the certificate set forth herein on the Note form.

(m) In case any Note shall become mutilated, or be lost, stolen, or destroyed, the County, in its discretion, shall issue, and the Registration Agent, upon written direction from the County, shall authenticate and deliver, a new Note of like tenor, amount, maturity and date, in exchange and substitution for, and upon the cancellation of, the mutilated Note, or in lieu of and in substitution for such lost, stolen or destroyed Note, or if any such Note shall have matured or shall be about to mature, instead of issuing a substituted Note the County may pay or authorize payment of such Note without surrender thereof. In every case the applicant shall furnish evidence satisfactory to the County and the Registration Agent of the destruction, theft or loss of such Note, and indemnity satisfactory to the County and the Registration Agent; and the County may charge the applicant for the issue of such new Note an amount sufficient to reimburse the County for the expense incurred by it in the issue thereof.

Section 5. Security and Source of Payment. The Notes shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the County. For the prompt payment of principal of, premium, if any, and interest on the Notes, the full faith and credit of the County are hereby irrevocably pledged.

Section 6 Form of Notes. The Notes shall be in substantially the following form, the omissions to be appropriately completed when the Notes are prepared and delivered:

(Form of Note)

REGISTERED
Number _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF TENNESSEE
COUNTY OF RUTHERFORD
GENERAL OBLIGATION CAPITAL OUTLAY NOTE,
SERIES _____

Interest Rate:

Maturity Date:

Date of Note:

CUSIP No.:

Registered Owner:

Principal Amount:

DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That Rutherford County, Tennessee (the "County"), for value received hereby promises to pay to the registered owner hereof, hereinabove named, or registered assigns, in the manner hereinafter provided, the principal amount hereinabove set forth on the maturity date hereinabove set forth, and to pay interest (computed on the basis of a 360 day year of twelve 30 day months) on said principal amount at the rate of interest hereinabove set forth from the date hereof until this Note matures or is redeemed, said interest being payable on [June 1, 2014], and semi-annually thereafter on [June 1] and [December 1]. Both principal hereof and interest hereon are payable in lawful money of the United States of America by check or draft at _____, _____, _____ as registration and paying agent (the "Registration Agent"). The Registration Agent shall make all interest payments with respect to this Note on each interest payment date directly to the registered owner hereof shown on the Note registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by check or draft mailed to such owner at such owner's address shown on said note registration records, without, except for final payment, the presentation or surrender of this Note, and all such payments shall discharge the obligations of the County to the extent of the payments so made. Any such interest not so punctually paid or duly provided for on any interest payment date shall forthwith cease to be payable to the registered owner on

the relevant Regular Record Date; and, in lieu thereof, such defaulted interest shall be payable to the person in whose name this Note is registered at the close of business on the date (the "Special Record Date") for payment of such defaulted interest to be fixed by the Registration Agent, notice of which shall be given to the owners of the Notes of the issue of which this Note is one not less than ten (10) days prior to such Special Record Date. Payment of principal hereof shall be made upon presentation and surrender of this Note to the Registration Agent when due.

Except as otherwise provided herein or in the Resolution, as hereinafter defined, this Note shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Notes of the series of which this Note is one. One Note for each maturity of the Notes shall be issued to DTC and immobilized in its custody. A book-entry system shall be employed, evidencing ownership of the Notes in \$5,000 denominations, or multiples thereof, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants, as defined in the Resolution, pursuant to rules and procedures established by DTC. So long as Cede & Co., as nominee for DTC, is the registered owner of the Notes, the County and the Registration Agent shall treat Cede & Co., as the only owner of the Notes for all purposes under the Resolution, including receipt of all principal and maturity amounts of, premium, if any, and interest on the Notes, receipt of notices, voting and requesting or taking or not taking, or consenting to, certain actions hereunder. Payments of principal, maturity amounts, interest, and redemption premium, if any, with respect to the Notes, so long as DTC is the only owner of the Notes, shall be paid directly to DTC or its nominee, Cede & Co. DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners, as defined in the Resolution. Neither the County nor the Registration Agent shall be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants. In the event that (1) DTC determines not to continue to act as securities depository for the Notes or (2) the County determines that the continuation of the book-entry system of evidence and transfer of ownership of the Notes would adversely affect its interests or the interests of the Beneficial Owners of the Notes, the County may discontinue the book-entry system with DTC. If the County fails to identify another qualified securities depository to replace DTC, the County shall cause the Registration Agent to authenticate and deliver replacement Notes in the form of fully registered Notes to each Beneficial Owner. Neither the County nor the Registration Agent shall have any responsibility or obligations to any DTC Participant or any Beneficial Owner with respect to (i) the Notes; (ii) the accuracy of any records maintained by DTC or any DTC Participant; (iii) the payment by DTC or any DTC Participant of any amount due to any Beneficial Owner in respect of the principal or maturity amounts of and interest on the Notes; (iv) the delivery or timeliness of delivery by DTC or any DTC Participant of any notice due to any Beneficial Owner that is required or permitted under the terms of the Resolution to be given to Beneficial Owners, (v) the selection of Beneficial Owners to receive payments in the event of any partial redemption of the Notes; or (vi) any consent given or other action taken by DTC, or its nominee, Cede & Co., as owner.

[Notes of the issue of which this Note is one shall be subject to redemption prior to maturity at the option of the County on March 1, 2014 and thereafter, as a whole or in part at any time at the redemption price of par plus interest accrued to the redemption date.]

If less than all the Notes shall be called for redemption, the maturities to be redeemed shall be designated by the Board of County Commissioners of the County, in its discretion. If less than all the principal amount of the Notes of a maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

- (i) if the Notes are being held under a Book-Entry System by DTC, or a successor Depository, the amount of the interest of each DTC Participant in the Notes to be redeemed shall be

determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

(ii) if the Notes are not being held under a Book-Entry System by DTC, or a successor Depository, the Notes within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

[Subject to the credit hereinafter provided, the County shall redeem Notes maturing _____ on the redemption dates set forth below opposite the maturity dates, in aggregate principal amounts equal to the respective dollar amounts set forth below opposite the respective redemption dates at a price of par plus accrued interest thereon to the date of redemption. DTC, as securities depository for the series of Notes of which this Note is one, or such Person as shall then be serving as the securities depository for the Notes, shall determine the interest of each Participant in the Notes to be redeemed using its procedures generally in use at that time. If DTC, or another securities depository is no longer serving as securities depository for the Notes, the Notes to be redeemed within a maturity shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall select. The dates of redemption and principal amount of Notes to be redeemed on said dates are as follows:

<u>Final Maturity</u>	<u>Redemption Date</u>	<u>Principal Amount of Notes Redeemed</u>
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*Final Maturity

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such redemption date, the County may (i) deliver to the Registration Agent for cancellation Notes to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Notes of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Note so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the County on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Notes to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced. The County shall on or before the forty-fifth (45th) day next preceding each payment date furnish the Registration Agent with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this subsection are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.]

Notice of call for redemption[, whether optional or mandatory,] shall be given by the Registration Agent not less than fifteen (15) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Notes to be redeemed by first-class mail, postage

prepaid, at the addresses shown on the Note registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any such defect in any such notice so mailed shall affect the sufficiency of the proceedings for the redemption of any of the Notes for which proper notice was given. As long as DTC, or a successor Depository, is the registered owner of the Notes, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Notes, as and when above provided, and neither the County nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant will not affect the validity of such redemption. From and after any redemption date, all Notes called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth in the Resolution, as hereafter defined. If at the time of the giving of any notice of optional or mandatory redemption there shall not be on deposit with the Registration Agent moneys sufficient to redeem all the Notes called for redemption, the notice of redemption shall state that the redemption of such Notes is conditional upon and subject to deposit of moneys with the Registration Agent sufficient to redeem all such Notes not later than the opening of business on the redemption date, and that such notice shall be of no effect if such moneys are not on deposit.

This Note is transferable by the registered owner hereof in person or by such owner's attorney duly authorized in writing at the principal corporate trust office of the Registration Agent set forth on the front side hereof, but only in the manner, subject to limitations and upon payment of the charges provided in the Resolution, as hereafter defined, and upon surrender and cancellation of this Note. Upon such transfer a new Note or Notes of authorized denominations of the same maturity and interest rate for the same aggregate principal amount will be issued to the transferee in exchange therefor. The person in whose name this Note is registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the County nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Note shall be overdue. Notes, upon surrender to the Registration Agent, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of the Notes of the same maturity in authorized denomination or denominations, upon the terms set forth in the Resolution. The Registration Agent shall not be required to transfer or exchange any Note during the period commencing on a Regular Record Date or Special Record Date and ending on the corresponding interest payment date of such Note, nor to transfer or exchange any Note after the notice calling such Note for redemption has been made, nor during a period following the receipt of instructions from the County to call such Note for redemption.

It is hereby certified, recited, and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Note exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Note does not exceed any limitation prescribed by the constitution and statutes of the State of Tennessee.

This Note is one of a total authorized issue aggregating \$_____ and issued by the County for the purpose of providing funds for refinancing the County's outstanding General Obligation Capital Outlay Notes, Series 2011, dated January 7, 2011, maturing January 3, 2014, under and in full compliance with the constitution and statutes of the State of Tennessee, including Section 9-21-101, Tennessee Code Annotated and pursuant to a resolution (the "Resolution") duly adopted by the Board of County Commissioners of the County on the fourteenth day of November, 2013.

This Note is payable from unlimited ad valorem taxes to be levied on all taxable property within the County. For the prompt payment of principal of, premium, if any, and interest on this Note, the full faith and credit of the County are irrevocably pledged. For a more complete statement of the general covenants and provisions pursuant to which this Note is issued, reference is hereby made to said Resolution.

This Note and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) inheritance, transfer and estate taxes, (b) Tennessee excise taxes on interest on the Note during the period the Note is held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee, and (c) Tennessee franchise taxes by reason of the inclusion of the book value of the Note in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

IN WITNESS WHEREOF, Rutherford County, Tennessee, has caused this Note to be signed by its County Mayor with his manual [facsimile] signature and attested by its County Clerk with her manual [facsimile] signature under an impression [facsimile] of the corporate seal of the County, all as of the day and date hereinabove set forth.

RUTHERFORD COUNTY

BY: _____
County Mayor

(SEAL)

ATTESTED:

County Clerk
Transferable and payable at the
principal corporate trust office of: _____
_____, _____

Date of Registration: _____

This Note is one of the issue of Notes issued pursuant to the Resolution hereinabove described.

Registration Agent

By: _____
Authorized Representative

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto _____, whose address is _____ (Please insert Social Security or Federal Tax Identification Number _____), the within Note of Rutherford County, Tennessee and does hereby irrevocably constitute and appoint _____, attorney, to transfer the said Note on the records kept for registration thereof with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Note in every particular, without alteration or enlargement or any change whatsoever.

Signature guaranteed:

NOTICE: Signature(s) must be guaranteed by a member of a medallion program acceptable to the Registration Agent.

Section 7. Levy of Tax. The County, through its Governing Body, shall annually levy and collect a tax upon all taxable property within the County, in addition to all other taxes authorized by law, sufficient to pay principal of and interest on the Notes when due, and for that purpose there is hereby levied a direct tax in such amount as may be found necessary each year to pay principal and interest coming due on the Notes. Principal and interest falling due at any time when there are insufficient funds from this tax levy on hand shall be paid from the current funds of the County and reimbursement therefor shall be made out of the taxes hereby provided to be levied when the same shall have been collected. The tax herein provided may be reduced to the extent of direct appropriations from the general funds or other legally available funds of the County to the payment of debt service on the Notes.

Section 8. Sale of Notes. (a) The Notes shall be offered for public sale, informal or otherwise, as required by law, or a private negotiated sale, at a price of not less than ninety-nine percent (99%) of par, plus accrued interest, as a whole or in part from time to time as shall be determined by the County Mayor, in consultation with the County's Financial Advisor, bearing interest per annum at a rate or rates not exceeding the maximum interest rate permitted by applicable Tennessee law.

(b) If the Notes, or any series thereof, are sold at a public sale which may be by physical delivery of bids or by electronic bidding means of an Internet bidding service as shall be determined by the County Mayor, the County Mayor is authorized to award the Notes to the bidder whose bid best achieves the County's debt objectives in issuing the Notes. The award of the Notes by the County Mayor to the lowest bidder shall be binding on the County, and no further action of the Governing Body with respect thereto shall be required.

(c) If the Notes, or any series thereof, are sold at a private negotiated sale, the County Mayor is authorized to sell the Notes to one or more Purchasers selected by him at the price set forth in paragraph (a) above, and no further action of the Governing Body shall be required. If the Notes, or any series thereof, are sold at a private sale, the County Mayor is authorized to execute and the County Clerk to attest a Note Purchase Agreement, providing for the purchase and sale of the Notes, or any series thereof. The Note Purchase Agreement shall be in such form that effects the sale of the Notes, or any series thereof, in accordance with the provisions of this resolution, and is not inconsistent with the terms hereof, as such terms may be modified as set forth in this Section 8.

(d) If the Notes are sold in more than one series, the County Mayor is authorized to designate the series of Notes, to cause to be sold in each series an aggregate principal amount of Notes less than that shown

in Section 4 hereof, so long as the total aggregate principal amount of all series issued does not exceed the total aggregate of Notes authorized to be issued herein.

(e) The County Mayor is further authorized:

(1) to change the dated date of the Notes or any series thereof, to a date other than the date of issuance;

Obligation (2) to change the designation of the Notes to a designation other than “General Capital Outlay Notes”;

(3) to change the first interest payment date of the Notes or any series thereof to a date other than June 1, 2014, provided that the first interest payment date is within twelve months of issuance of any series of Notes;

(4) to adjust the principal and interest payment dates of the Notes, or any series thereof and to establish the annual principal payment amounts of the Notes, or any series thereof provided that (A) the total principal amount of all series of the Notes does not exceed the total amount of Notes authorized herein, and (B) the final maturity date of the Notes, or any series thereof, shall not be later than the end of the third fiscal year following the fiscal year in which the Notes, or any series thereof, are issued;

less (5) to change the County's optional redemption provisions of the Notes, provided that, (A) if the Notes are sold at not less than par, the redemption premium, if any, shall not exceed one percent (1%) of the par amount of the Notes called for redemption; and (B) if the Notes are sold at less than par, no redemption premium shall be provided for;

(6) to sell less than the authorized principal amount of Notes authorized herein;

(7) to sell the Notes, or any series thereof, or any maturities thereof as term notes with mandatory redemption requirements corresponding to the maturities set forth herein or as otherwise determined by the County Mayor, as he shall deem most advantageous to the County; and

(8) to cause all or a portion of the Notes to be insured by a bond insurance policy issued by a nationally recognized bond insurance company to achieve the purposes set forth herein and to serve the best interests of the County.

(f) The County Mayor is authorized to sell the Notes, or any series thereof, simultaneously with any other bonds or notes authorized by resolution or resolutions of the Governing Body. The County Mayor is further authorized to sell the Notes, or any series thereof, as a single issue of notes with any other general obligation capital outlay notes with substantially similar terms authorized by resolution or resolutions of the Governing Body, in one or more series as he shall deem to be advantageous to the County; provided, however, that the total aggregate principal amount of combined notes and bonds to be sold does not exceed the total aggregate principal amount of Notes authorized by this resolution or notes and bonds authorized by any other resolution or resolutions adopted by the Governing Body.

(g) The County Mayor and County Clerk, or either of them, are authorized to cause the Notes to be authenticated and delivered by the Registration Agent to the Purchaser or its designee and to execute, publish, and deliver all certificates and documents, including an official statement or other offering document and closing certificates, as they shall deem necessary in connection with the sale and delivery of the Notes.

The County Mayor and County Clerk are hereby authorized to enter into a contract with the Financial Advisor, for financial advisory services in connection with the sale of the Notes.

(h) The County Mayor is hereby authorized to enter into an engagement letter with Bass, Berry & Sims PLC to serve as bond counsel in connection with the Notes in substantially the form which is presented hereto as Exhibit B, with such changes as may be approved by the County Mayor as evidenced by his execution thereof.

(i) The form of the Note set forth in Section 6 hereof shall be conformed to reflect any changes made pursuant to this Section 8.

Section 9. Disposition of Note Proceeds.

(a) All accrued interest, if any, shall be deposited to the appropriate fund of the County to be used to pay interest on the Notes on the first interest payment date following delivery of the Notes.

(b) An amount, which together with investment earnings thereon and legally available funds of the County, if any, will be sufficient to pay principal of and interest on the Outstanding Note (subject to the adjustments permitted by Section 8 above) shall (i) be held in a separate account of the County and applied to the payment of principal of and interest on the Outstanding Note on its earliest practicable redemption date following delivery of the Notes, or any series thereof; (ii) deposited in an escrow account established with an escrow agent under an escrow agreement to be entered into by and between the County and said agent, in the form satisfactory to the County Mayor; or (iii) deposited with the County Trustee as registration agent for the Outstanding Note to be used to redeem the Outstanding Note (subject to the adjustments permitted by Section 8 above) on its earliest practicable redemption date following delivery of the Notes.

(c) In accordance with State law, the various department heads and the fund or funds receiving and disbursing funds are hereby authorized to amend the budget of the proper fund or funds for the receipt of proceeds from the issuance of the Notes, or any series thereof, including the accrued interest, if any, reoffering premium, if any, and other remaining proceeds and receipts from the sale of the Notes or any series thereof. The department heads and the fund or funds are further authorized to amend the proper budgets to reflect the appropriations and expenditures of the receipts as set forth in this paragraph.

Section 10. Redemption of the Outstanding Note. The County Mayor and the County Clerk, or either of them, are hereby authorized and directed to take all steps necessary to redeem the Outstanding Note, at its earliest practicable redemption date following delivery of the Notes, including the giving of and publication of any redemption notice as required in the resolution authorizing the issuance of the Outstanding Note.

Section 11. Official Statement. The County Mayor, County Clerk and Finance Director, or any of them, working with the County's financial advisor, are hereby authorized and directed to provide for the preparation and distribution of a Preliminary Official Statement, electronic or otherwise, describing the Notes. After bids have been received and the Notes have been awarded, the County Mayor, county Clerk, and Finance Director, or any of them, shall make such completions, omissions, insertions and changes in the Preliminary Official Statement not inconsistent with this resolution as are necessary or desirable to complete it as a final Official Statement for purposes of Rule 15c2-12(e)(3) of the Securities and Exchange Commission. The County Mayor, County Clerk, and Finance Director, or any of them, shall arrange for the delivery to the Purchaser of the Notes of a reasonable number of copies of the Official Statement within seven business days after the Notes have been sold or awarded for delivery, by the successful Purchaser of the Notes, to each potential investor requesting a copy of the Official Statement and to each person to whom such Purchaser and members of its group initially sell the Notes.

The County Mayor, County Clerk, and Finance Director, or any of them, are authorized, on behalf of the County, to deem the Preliminary Official Statement and the Official Statement in final form, each to be final as of its date within the meaning of Rule 15c2-12(b)(1), except for the omission in the Preliminary Official Statement of certain pricing and other information allowed to be omitted pursuant to such Rule 15c2-12(b)(1). The distribution of the Preliminary Official Statement and the Official Statement in final form shall be conclusive evidence that each has been deemed in final form as of its date by the County except for the omission in the Preliminary Official Statement of such pricing and other information.

Notwithstanding the foregoing, no Official Statement is required to be prepared if the Notes are purchased by a Purchaser that certifies that such Purchaser intends to hold the Notes for its own account and has no present intention to reoffer the Notes.

Section 12. Tax Covenants. The County recognizes that the purchasers and owners of the Notes will have accepted them on, and paid therefor a price that reflects, the understanding that interest thereon is excluded from gross income for purposes of federal income taxation under laws in force on the date of delivery of the Notes. In this connection, the County covenants that it shall take no action which may render the interest on any of said Notes subject to inclusion in gross income for purposes of federal income taxation.

It is the reasonable expectation of the Governing Body of the County that the proceeds of the Notes will not be used in a manner which will cause the Notes to be "arbitrage bonds" within the meaning of Section 148 of the Code including any lawful regulations promulgated or proposed thereunder, and to this end the said proceeds of the Notes and other related funds established for the purposes herein set out, shall be used and spent expeditiously for the purposes described herein. The Governing Body further covenants and represents that in the event it shall be required by Section 148(f) of the Code to pay any investment proceeds of the Notes to the United States government, it will make such payments as and when required by said Section 148(f) and will take such other actions as shall be necessary or permitted to prevent the interest on the Notes from becoming taxable. The County Mayor and County Clerk, or either of them, are authorized and directed to make such certifications in this regard in connection with the sale of the Notes as either or both shall deem appropriate, and such certifications shall constitute a representation and certification of the County. Following the issuance of the Notes, the Finance Director and the County Trustee are directed to administer the County's Federal Tax Compliance Policies and Procedures previously adopted by the Governing Body with respect to the Notes.

Section 13. Discharge and Satisfaction of Notes. If the County shall pay and discharge the indebtedness evidenced by any of the Notes in any one or more of the following ways:

(a) By paying or causing to be paid, by deposit of sufficient funds as and when required with the Registration Agent, the principal of and interest on such Notes as and when the same become due and payable;

(b) By depositing or causing to be deposited with any trust company or bank whose deposits are insured by the Federal Deposit Insurance Corporation and which has trust powers ("a Trustee"; which Trustee may be the Registration Agent), in trust, on or before the date of maturity, sufficient money or Federal Obligations, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay such Notes and to pay interest thereon when due until the maturity date;

(c) By delivering such Notes to the Registration Agent, for cancellation by it; and if the County shall also pay or cause to be paid all other sums payable hereunder by the County with respect to such Notes, or make adequate provision therefor, and by resolution of the Governing Body instruct any such Trustee to pay amounts when and as required to the Registration Agent for the payment of principal of and interest on

such Notes when due, then and in that case the indebtedness evidenced by such Notes shall be discharged and satisfied and all covenants, agreements and obligations of the County to the owners of such Notes shall be fully discharged and satisfied and shall thereupon cease, terminate and become void.

If the County shall pay and discharge the indebtedness evidenced by any of the Notes in the manner provided in either clause (a) or clause (b) above, then the registered owners thereof shall thereafter be entitled only to payment out of the money or Federal Obligations deposited as aforesaid.

Except as otherwise provided in this Section, neither Federal Obligations nor moneys deposited with the Registration Agent pursuant to this Section nor principal or interest payments on any such Federal Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal and premium, if any, and interest on said Notes; provided that any cash received from such principal or interest payments on such Federal Obligations deposited with the Registration Agent, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the County as received by the Registration Agent and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Federal Obligations maturing at times and in amounts sufficient to pay when due the principal and interest to become due on said Notes and interest earned from such reinvestments shall be paid over to the County, as received by the Registration Agent. For the purposes of this Section, Federal Obligations shall mean direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, or any agency thereof, obligations of any agency or instrumentality of the United States or any other obligations at the time of the purchase thereof are permitted investments under Tennessee Law for the purposes described in this Section, which bonds or other obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof.

Section 14. Continuing Disclosure. The County hereby covenants and agrees that it will provide annual financial information and material event notices if and as required by Rule 15c2-12 of the Securities Exchange Commission for the Notes. The County Mayor is authorized to execute at the Closing of the sale of the Notes, an agreement for the benefit of and enforceable by the owners of the Notes specifying the details of the financial information and material event notices to be provided and its obligations relating thereto. Failure of the County to comply with the undertaking herein described and to be detailed in said closing agreement, shall not be a default hereunder, but any such failure shall entitle the owner or owners of any of the Notes to take such actions and to initiate such proceedings as shall be necessary and appropriate to cause the County to comply with their undertaking as set forth herein and in said agreement, including the remedies of mandamus and specific performance.

Section 15. Qualified Tax-Exempt Obligations. The Governing Body hereby designates the Notes as "qualified tax-exempt obligations," within the meaning of Section 265 of the Internal Revenue Code of 1986, as amended, if and to the extent the Notes may be so designated and to the extent not "deemed designated".

Section 16. Resolution a Contract. The provisions of this resolution shall constitute a contract between the County and the registered owners of the Notes, and after the issuance of the Notes, no change, variation or alteration of any kind in the provisions of this resolution shall be made in any manner until such time as the Notes and interest due thereon shall have been paid in full.

Section 17. Separability. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

Section 18. Repeal of Conflicting Resolutions and Effective Date. All other resolutions and orders, or parts thereof, in conflict with the provisions of this resolution, are, to the extent of such conflict, hereby repealed and this resolution shall be in immediate effect from and after its adoption.

Adopted and approved this 14th day of November, 2013.

County Mayor

Attested: _____
County Clerk

EXHIBIT A

PRELIMINARY DEBT SERVICE ESTIMATE AND ESTIMATED COSTS OF ISSUANCE

Debt Service Schedule					
Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
12/10/2013	-	-	-	-	-
06/01/2014	-	-	77,306.25	77,306.25	-
06/30/2014	-	-	-	-	77,306.25
12/01/2014	-	-	81,375.00	81,375.00	-
06/01/2015	-	-	81,375.00	81,375.00	-
06/30/2015	-	-	-	-	162,750.00
12/01/2015	-	-	81,375.00	81,375.00	-
06/01/2016	9,300,000.00	1.750%	81,375.00	9,381,375.00	-
06/30/2016	-	-	-	-	9,462,750.00
Total	\$9,300,000.00	-	\$402,806.25	\$9,702,806.25	-

Estimated Costs of Issuance

Bond Counsel	\$	7,000
Issuer Counsel	\$	700
Financial Advisor	\$	7,000

EXHIBIT B

FORM OF ENGAGEMENT LETTER OF BASS, BERRY & SIMS PLC

LETTERHEAD OF BASS, BERRY & SIMS PLC

November 14, 2013

Rutherford County, Tennessee
Rutherford County Courthouse
Murfreesboro, Tennessee
Attention: Greg Lynch, County Mayor

Re: Issuance of Not to Exceed \$9,300,000 in Aggregate Principal Amount of General Obligation Capital Outlay Notes.

Dear Mayor:

The purpose of this engagement letter is to set forth certain matters concerning the services we will perform as bond counsel to Rutherford County, Tennessee (the "Issuer"), in connection with the issuance of the above-referenced notes (the "Notes"). We understand that the Notes are being issued for the purpose of providing funds necessary to refinance the Issuer's outstanding General Obligation Capital Outlay Note, Series 2011, dated January 7, 2011, maturing January 3, 2014, as more fully set forth in the resolution adopted by the County Commission on November 14, 2013. We further understand that the Notes will be sold at a negotiated sale, by informal bid, or at competitive public sale.

SCOPE OF ENGAGEMENT

In this engagement, we expect to perform the following duties:

1. Subject to the completion of proceedings to our satisfaction, render our legal opinion (the Note Opinion) regarding the validity and binding effect of the Notes, the source of payment and security for the Notes, and the excludability of interest on the Notes from gross income for federal income tax purposes.
2. Prepare and review documents necessary or appropriate for the authorization, issuance and delivery of the Notes, coordinate the authorization and execution of such documents, and review enabling legislation.
3. Assist the Issuer in seeking from other governmental authorities such approvals, permissions and exemptions as we determine are necessary or appropriate in connection with the authorization, issuance, and delivery of the Notes, except that we will not be responsible for any required blue-sky filings.

4. Review legal issues relating to the structure of the Note issue.
5. Draft those sections of any offering document to be disseminated in connection with the sale of the Notes, describing the Note Opinion, the terms of and security for the Notes, and the treatment of the Notes and interest thereon under state and federal tax law.
6. Prepare and review the notice of sale pertaining to the competitive sale of the Notes, if any.
7. Our Note Opinion will be addressed to the Issuer and will be delivered by us on the date the Notes are exchanged for their purchase price (the “Closing”).

The Note Opinion will be based on facts and law existing as of its date. In rendering our Note Opinion, we will rely upon the certified proceedings and other certifications of public officials and other persons furnished to us without undertaking to verify the same by independent investigation, and we will assume continuing compliance by the Issuer with applicable laws relating to the Notes. During the course of this engagement, we will rely on you to provide us with complete and timely information on all developments pertaining to any aspect of the Bonds and their security. We understand that you will direct members of your staff and other employees of the Issuer to cooperate with us in this regard.

Our duties in this engagement are limited to those expressly set forth above. Among other things, our duties do not include:

- a. Except as described in paragraph (5) above,
 - 1) Assisting in the preparation or review of an official statement or any other disclosure document with respect to the Notes, or
 - 2) Performing an independent investigation to determine the accuracy, completeness or sufficiency of any such document, or
 - 3) Rendering advice that the official statement or other disclosure documents
 - a) Do not contain any untrue statement of a material fact or
 - b) Do not omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.
- b. Preparing requests for tax rulings from the Internal Revenue Service, or no action letters from the Securities and Exchange Commission.
- c. Preparing blue sky or investment surveys with respect to the Notes.
- d. Drafting state constitutional or legislative amendments.

- e. Pursuing test cases or other litigation, (such as contested validation proceedings).
- f. Making an investigation or expressing any view as to the creditworthiness of the Issuer or the Notes.
- g. Representing the Issuer in Internal Revenue Service examinations or inquiries, or Securities and Exchange Commission investigations.
- i. After Closing, providing continuing advice to the Issuer or any other party concerning any actions necessary to assure that interest paid on the Notes will continue to be excludable from gross income for federal income tax purposes (e.g., our engagement does not include rebate calculations for the Notes).
- j. Addressing any other matter not specifically set forth above that is not required to render our Note Opinion.

ATTORNEY-CLIENT RELATIONSHIP

Upon execution of this engagement letter, the Issuer will be our client and an attorney-client relationship will exist between us. We assume that all other parties will retain such counsel as they deem necessary and appropriate to represent their interests in this transaction. We further assume that all other parties understand that in this transaction we represent only the Issuer, we are not counsel to any other party, and we are not acting as an intermediary among the parties. Our services as bond counsel are limited to those contracted for in this letter; the Issuer's execution of this engagement letter will constitute an acknowledgment of those limitations. Our representation of the Issuer will not affect, however, our responsibility to render an objective Note Opinion. Please note that, in our representation of the Issuer, we will not act as a "municipal advisor", as such term is defined in the Securities Exchange Act of 1934, as amended.

Our representation of the Issuer and the attorney-client relationship created by this engagement letter will be concluded upon issuance of the Notes. Nevertheless, subsequent to Closing, we will mail the appropriate Internal Revenue Service Forms 8038-G, and prepare and distribute to the participants in the transaction a transcript of the proceedings pertaining to the Notes.

As you are aware, our firm represents many political subdivisions, companies and individuals. It is possible that during the time that we are representing the Issuer, one or more of our present or future clients will have transactions with the Issuer. It is also possible that we may be asked to represent, in an unrelated matter, one or more of the entities involved in the issuance of the Notes. We do not believe such representation, if it occurs, will adversely affect our ability to represent you as provided in this letter, either because such matters will be sufficiently different from the issuance of the Notes as to make such representations not adverse to our representation of you, or because the potential for such adversity is remote or minor and outweighed by the consideration that it is unlikely that advice given to the other client will be relevant to any aspect of the issuance of the Notes. Our firm currently represents and in the future may represent Stephens Inc. in matters unrelated to the Notes. We believe this representation fits within the foregoing description. Execution of this letter will signify the Issuer's consent to such representation of the Financial Advisor and to our representation of others consistent with the circumstances described in this paragraph.

FEES

Based upon: (i) our current understanding of the terms, structure, size and schedule of the financing represented by the Notes; (ii) the duties we will undertake pursuant to this engagement letter; (iii) the time we anticipate devoting to the financings; and (iv) the responsibilities we will assume in connection therewith, we estimate that our fee will be \$7,000, if the Notes are sold to a purchaser that does not intend to reoffer the Notes or \$16,500 if the Notes are sold at competitive sale pursuant to an official statement. Our fees may vary: (a) if the principal amount of Notes actually issued differs significantly from the amounts stated above; (b) if material changes in the structure or schedule of the respective financings occur; or (c) if unusual or unforeseen circumstances arise which require a significant increase in our time or responsibility. If, at any time, we believe that circumstances require an adjustment of our original fee estimates, we will advise you and prepare and provide to you an amendment to this engagement letter. The fees quoted above will include all out-of-pocket expenses advanced for your benefit, such as travel costs, photocopying, deliveries, long distance telephone charges, telecopier charges, filing fees, computer-assisted research and other expenses.

If, for any reason, the financing represented by the Notes is completed without the delivery of our Note Opinion as bond counsel or our services are otherwise terminated, we will expect to be compensated at our normal rates for the time actually spent on your behalf plus client charges as described above unless we have failed to meet our responsibilities under this engagement, but in no event will our fees exceed \$7,000.

RECORDS

At your request, papers and property furnished by you will be returned promptly upon receipt of payment for outstanding fees and client charges. All goods, documents, records, and other work product and property produced during the performance of this engagement are deemed to be Issuer's property. We agree to maintain documentation for all charges against the Issuer. Our books, records, and documents, insofar as they relate to work performed or money received under this engagement, shall be maintained for a period of three (3) full years from the respective Closings and will be subject to audit, at any reasonable time and upon reasonable notice by the Issuer or its duly appointed representatives.

OTHER MATTERS

We have not retained any persons to solicit or secure this engagement from the Issuer upon an agreement or understanding for a contingent commission, percentage, or brokerage fee. We have not offered any employee of the Issuer a gratuity or an offer of employment in connection with this engagement and no employee has requested or agreed to accept a gratuity or offer of employment in connection with this engagement.

Any modification or amendment to this Engagement Letter must be in writing, executed by us and contain the signatures of the Issuer. The validity, construction and effect of this Engagement Letter and any and all extensions and/or modifications thereof shall be governed by the laws of the State of Tennessee. Any action between the parties arising from this Engagement Letter shall be maintained in the state or federal courts of Davidson County, Tennessee.

CONCLUSION

If the foregoing terms are acceptable to you, please so indicate by returning the enclosed copy of this engagement letter dated and signed by an authorized officer, retaining the original for your files. We look forward to working with you.

RUTHERFORD COUNTY, TENNESSEE:

BASS, BERRY & SIMS PLC:

By _____
Ernest Burgess, County Mayor

By: _____
Karen S. Neal, Member

STATE OF TENNESSEE)

COUNTY OF RUTHERFORD)

I, Lisa Duke Crowell, hereby certify that I am the duly qualified and acting County Clerk of Rutherford County, Tennessee, and as such official I further certify that attached hereto is a copy of excerpts from the minutes of a regular meeting of the governing body of the County held on November 14, 2013; that these minutes were promptly and fully recorded and are open to public inspection; that I have compared said copy with the original minute record of said meeting in my official custody; and that said copy is a true, correct and complete transcript from said original minute record insofar as said original record relates to General Obligation Capital Outlay Notes, of said County.

WITNESS my official signature and seal of said County this ____ day of _____,
201_.

(SEAL)

County Clerk

The Board of County Commissioners of Rutherford County, Tennessee, met in a regular session on November 14, 2013, at 6:00 p.m., at the Rutherford County Courthouse, Murfreesboro, Tennessee, with the Honorable Ernest Burgess, County Mayor, presiding.

The following Commissioners were present:

The following Commissioners were absent:

There were also present Lisa Duke Crowell, County Clerk and Lisa Nolen, Finance Director.

After the meeting was duly called to order, the following resolution was introduced by _____, seconded by _____ and after due deliberation, was adopted by the following vote:

AYE:

NAY: